

DECLASS REVIEW by NGA

NPIC/D-235-70  
29 July 1970

MEMORANDUM FOR: [redacted] Office of legislative Counsel

SUBJECT : Senator Byrd Inquiry Concerning the [redacted]  
[redacted] Light Table Development

1. Attached is a summary of the facts concerning the [redacted] light table matter together with a suggested draft response to Senator Byrd.

2. The contractual relations with the [redacted] have been conducted under a SECRET classification. The contracts with [redacted] were written without identifying CIA as the major contractor -- they were written in the name of the U.S. Government. The purpose of this is to conceal from foreign governments the nature and extent of the Government's intelligence effort being applied to a particular collection and exploitation system.

3. It may also be helpful to make the point verbally that it is of critical importance to CIA and other U.S. intelligence agencies to have on hand by early 1971 a sufficient quantity of the new light tables. They are needed to exploit intelligence of considerable importance to the national security.

4. You may wish to call the DIA Congressional liaison people concerning the proposed response to Senator Byrd. I am told that Mr. [redacted] the DIA Comptroller (Code 11, [redacted] is responsible for DIA Congressional liaison and that he is familiar with this particular matter. We have not heard whether or not DIA sent an interim response to Senator Byrd as a result of his 10 July inquiry.

[redacted signature box]

Executive Director  
National Photographic Interpretation Center

Attachments:  
a/s

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1 - DDI Planning Officer 1 - DIA

1 - Director of Logistics

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

(29 Jul 70) 25X1

29 July 1970

MEMORANDUM

25X1 SUBJECT: [ ] Inquiry

25X1 1. In June 1968, the Central Intelligence Agency awarded a classified contract to the [ ] to design and fabricate a prototype light table. This was a fixed price contract for [ ] awarded on a sole source basis. The prototype was to be delivered on 1 November 1968. 25X1

25X1 2. [ ] delivered the prototype in February 1969. During test and evaluation by CIA engineers several major deficiencies were noted.

25X1 3. In January 1969 CIA became aware that the [ ] [ ] was developing a competitive prototype light table. This light table was offered and delivered to CIA in May 1969 for test and evaluation. The [ ] table also had major deficiencies but included some new features superior to those on the [ ] table. 25X1

25X1 4. As a result of the test and evaluation of the [ ] [ ] prototype light tables, CIA prepared new development objectives, and contracts were awarded to the [ ] and to [ ] to design and fabricate second generation prototype light tables. The contracts were awarded in late October and early November 1969 with delivery to be in late February 1970. 25X1

25X1 5. The second generation light tables from the [ ] [ ] were delivered to CIA in March 1970 and subjected to engineering testing and operational evaluations. The testing was completed in early April 1970 at which time CIA concluded that both tables continued to display deficiencies but that the [ ] table evidenced fewer and technically less complex deficiencies. 25X1

25X1 6. CIA representatives met with [ ] representatives separately in April 1970 to discuss in detail the engineering tests and operational evaluations of their respective tables. The two tables were returned to the respective companies for modification and rework in accordance with written agreements. 25X1

25X1 SUBJECT: [redacted] Inquiry

25X1 7. After a review of all aspects of the tests, evaluations,  
25X1 unit costs, and availability of funds, CIA decided in May 1970 to  
25X1 procure the [redacted] table to meet CIA's needs. The basis for this  
25X1 decision was the greater suitability of the [redacted] table to meet CIA's  
25X1 tasks, [redacted] lower costs, and a judgment that [redacted] could meet pro-  
25X1 duction requirements. 25X1

25X1 8. Both [redacted] and the [redacted] were requested in May  
25X1 1970 to bid on quantity production of several model variants of their  
25X1 light tables. The request to [redacted] was based on the needs of other  
25X1 agencies in the community and for contingency purposes in the event  
25X1 [redacted] could not fulfill all of CIA's needs. The bid received from [redacted]  
25X1 was significantly lower than the [redacted] bid. 25X1

25X1 9. In June 1970 a contract was awarded to [redacted] for the production  
25X1 of 389 light tables at a total cost of [redacted]. The contract in-  
25X1 cludes light tables for other intelligence agencies in the community  
25X1 who decided to join CIA in this procurement action. This joint fund-  
25X1 ing saves procurement costs to the U.S. Government. 25X1

25X1 10. The salient points concerning this competition in which the  
25X1 [redacted] was an unsuccessful bidder are:

25X1 a. Both [redacted] used some  
25X1 of their own funds for prototype development. CIA's con-  
25X1 tributions to each company for that purpose were about  
25X1 the same, and did not favor one company over the other. 25X1

b. Neither company was given information by CIA of  
25X1 its competitor's performance - each was told of the test  
25X1 and evaluation results of their table only.

25X1 c. Both [redacted] were given equal  
25X1 opportunity to correct technical deficiencies in their  
25X1 light tables. 25X1

25X1 d. Both companies were asked to provide cost estimates  
25X1 on similar quantities. The [redacted] cost  
25X1 estimates were 25% higher than the [redacted] estimates. Both  
25X1 companies were then asked to bid on similar quantities.  
25X1 Again, the [redacted] submitted a higher bid  
25X1 than [redacted]. 25X1

25X1 SUBJECT: [redacted] Inquiry

25X1 e. In the award of the production contract, price was not the major consideration by CIA although it was an important one. Performance of the equipment was the major factor. On both counts the [redacted] table was superior to the [redacted] table.

25X1

D-R-A-F-T

Dear Senator Byrd:

On 10 July 1970 you sent to the Defense Intelligence Agency a copy of a 9 July letter which you received from [redacted] of the [redacted] concerning an unsuccessful bid by that company for a contract for the manufacture of light tables. Your inquiry has been referred to us since the Central Intelligence Agency is the U.S. Government organization which managed this procurement action to meet its own and other agencies' needs.

We have conducted an exhaustive review of our relations with the [redacted] concerning that contract. We have concluded that our procedures and handling of that contract award were competitive and completely fair. The award of the contract to [redacted] was in the best interests of the U.S. Government based on equipment performance, cost considerations, and our delivery requirements.

A summary of the facts relating to our decision is attached.

We should like to comment that we have done considerable business with the [redacted] in which that company has met our needs satisfactorily on several occasions. That record caused us to look to the [redacted] initially in the case of this particular contract as a likely supplier of equipment satisfactory to our needs. The fact that [redacted] was unsuccessful in this particular competition does not mean that we shall look any less favorably upon [redacted] as a source for other equipment contracts.

ILEG - 265 units

IAS - 16

DIA - 40

Navy - 11



AF - 38

Army - 7

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Total 389

25X1